

# ARC Utilities Management— Hardship Policy

# Arc Utilities Management Pty Ltd

## Customer Hardship Policy

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## 1. Introduction

- 1.1 As to work in the best interests of our customers, Arc Utilities Management Pty Ltd maintains the Customer Hardship Policy. Broadly, this policy sets out key principles to guide staff in interactions with customers and their representatives. It also sets out the steps we will take to identify and manage hardship.
- 1.2 The purpose of this policy is to identify residential customers experiencing payment difficulties due to hardship and to assist those customers to better manage their energy bills on an ongoing basis.
- 1.3 This policy will be updated every nine (9) months or as necessary, with reference to the guiding documents, to reflect the rules and regulations as they apply to the needs of our hardship customers.
- 1.4 Any amendments to this policy will be published on the Arc Utilities Management Pty Ltd website.
- 1.5 The following principles underline this policy:
  - a. Energy is an essential service and this company values the fact that customers trust it to supply energy.

- b. Customers are the ultimate stakeholders and Arc Utilities Management Pty Ltd intends to tailor its service to their needs and circumstances.
  - c. Arc Utilities Management Pty Ltd will continually seek ways to be of assistance to all customers in terms of services, expertise and connections.
  - d. Customers will be dealt with respectfully, fairly and with understanding.
  - e. Customers in hardship will be encouraged to seek assistance from our staff.
  - f. Customers will be actively assisted to reduce their energy usage without affecting them financially or personally, or reducing their standards of living.
  - g. Customers participating in the Arc Utilities Management Pty Ltd Hardship Program will not be disconnected.
- 1.6 This policy statement sets out a number of rights customers have under Australian Energy Law and other legislation.
- 1.7 In respecting customer rights, Arc Utilities Management Pty Ltd will:
- a. Notify customers of the company hardship policy immediately when a condition of hardship is recognised;
  - b. Provide customers with a copy of the Hardship Policy at no cost;
  - c. Put a hold on any external collections or debt recovery action for customers in hardship;
  - d. Follow this Hardship Policy in managing customer accounts;
  - e. Waive any late payment fees applied on accounts of customers in hardship; and
  - f. Work with customers in hardship and financial counsellors or other advisors assisting them to manage their accounts effectively.

## 2. Identification and initial response

- 2.1 The ability for staff to recognise hardship, and to respond as early as possible, is central to this policy. Staff training will be geared to:
- a. Identifying customers in potential hardship;
  - b. Training staff on issues to do with financial hardship;
  - c. Knowing about referral processes and protocols; and

- d. Training in communication to ensure staff take an empathetic, respectful and non-judgmental approach.
- 2.2 Hardship is a circumstance that a customer may face when he or she has the intention but not the capacity to make a payment within the time frame required.
- 2.3 A variety of circumstances can give rise to hardship including, but not limited to: loss of employment, increased cost of living, personal loss, natural disaster and temporary or permanent disability.
- 2.4 In accordance with this policy, customers experiencing hardship may contact Arc Utilities Management Pty Ltd using the following details to discuss the hardship policy and its relevance to their situation, to participate in the Hardship Program or discuss difficulties with payment or the status of their accounts:
  - a. Call: (07) 5552 0717
  - b. By Post: PO Box 10664, Southport BC QLD 4215
- 2.5 Self-identification will be made as easy as possible by providing a variety of communication channels and assisting customers throughout the process in a supportive and non-judgmental manner.
- 2.6 Identification by staff will also be done in a supportive and non-judgmental manner, with the intention of helping the customer in difficulty while avoiding embarrassment.
- 2.7 Hardship programs will be promoted, to customers showing any indication of hardship, on all reminder notices and disconnection notices, as well as over the phone.
- 2.8 The Hardship Policy will also be promoted via the company website.

### 3. Eligibility

#### 3.1. *Criteria for Entry*

- 3.1.1. To be eligible to enter the Hardship Program, a customer must meet the following three criteria:
  - 1. Have a current residential customer account with us;
  - 2. Be experiencing short- or long-term hardship; and
  - 3. Demonstrate a willingness to pay.

3.1.2. There is no minimum debt threshold for entry into the Hardship Program.

### 3.2. *Indicators of Hardship*

3.2.1. A range of indicators will be reviewed to determine whether a customer is experiencing hardship.

3.2.2. Factors evident from the customer's account, including the following:

- a. Self-identification;
- b. A history of late or missed payments;
- c. A sudden change in payment patterns;
- d. A need for extensions on payments due;
- e. An outstanding debt;
- f. Eligibility for emergency energy assistance, including URGS or EAPA vouchers; and
- g. Eligibility for concessions, government pensions or payments or rebates including NewStart and Disability Pension payments.

3.2.1. Environmental circumstances, including the following:

- a. Occurrence of natural disasters;
- b. Economic downturn.

3.2.3. Personal circumstances, including the following:

- a. Loss or change in employment;
- b. Increased cost of living;
- c. Personal loss;
- d. Other debts;
- e. Addiction;
- f. Temporary or permanent disability; and
- g. Any other circumstances a customer considers to be relevant will be considered so as to determine hardship program eligibility.

### 3.3. *Denied Access*

3.3.1. If a customer does not meet the eligibility criteria listed above, entry to the Hardship Program will be denied.

3.3.2. Customers will be notified over the phone or in writing of the reasons for the denial.

- 3.3.3. A customer may request an internal review of the decision, and a manager in the Hardship Team will conduct that review.
- 3.3.4. Customers will be denied access to the Hardship Program if they are determined to not show a willingness to pay. This may be evident from an examination of prior contacts with the customer and the payment plan offers that have been extended but rejected.
- 3.3.5. It is recognised and accepted that willingness to pay will be influenced by personal circumstances, so a continuing opportunity will be allowed to demonstrate willingness to pay if access to the Hardship Program is initially denied on this basis.

## 4. Early Identification

- 4.1 The Customer Enquiries and Hardship Team will endeavour to identify hardship as early as possible.
- 4.2 They will monitor accounts and look for early indicators, which may include any of those listed above.
- 4.3 Accounts will be searched for evidence of sudden changes of payment pattern or accumulation of debt.
- 4.4 Account holders will be contacted to discuss the various payment plans and ways they can be assisted with account management.
- 4.5 Customers with indications of hardship will be offered entry into the Hardship Program.
- 4.6 Extensive system and process support to identify customers who are potentially experiencing hardship will be implemented.
- 4.7 The Customer Enquiries and Hardship Team will attempt to contact customers believed to be experiencing hardship.
- 4.8 An email or letter will be sent to any customer believed to be experiencing

## 5. Working with Financial Counsellors

- 5.1 Referral of a customer into the Hardship Program by financial counsellors or other authorised third parties will be facilitated.

## 6. Privacy of Personal Information

- 6.1 Arc Utilities Management Pty Ltd is bound by the *Privacy Act 1988* (Cth) and the Australian Privacy Principles (APPs), which regulate the collection, disclosure, use and storage of personal information.
- 6.2 Information will consequently be handled responsibly and in accordance with customer instructions.
- 6.3 The definition of personal information is information or opinion from which an individual's identity may be ascertained.
- 6.4 Personal information about a customer will be collected when he or she makes contact with details about an energy account, eligibility or participation in the Hardship Program.
- 6.5 Personal information provided by a customer will be used to confirm his or her eligibility and to determine the level of support appropriate for that account.
- 6.6 All information disclosed will be kept secure and personal information will not be disclosed to any third party unless required by law.
- 6.7 Customers may access and request updates to personal information by contacting the Compliance Lead on Company Phone or by writing to the address provided below.

## 7. Next Steps

- 7.1 Once a customer's hardship status is confirmed, any late payment fee applied on that customer's account will be waived.
- 7.2 A security deposit to a customer in hardship will not be charged.
- 7.3 A customer's account will not be disconnected whilst he or she is on the Hardship Program.
- 7.4 The date, method of identification, current arrears, estimated monthly usage, current payment plan and estimated length of hardship will be clearly noted on a customer's account.
- 7.5 An account manager will be assigned to the account. This account manager will be responsible for ensuring the customer's account is managed in accordance with this policy.

- 7.6 The customer will be sent a letter within 48 hours confirming entry into the Hardship Program. The letter will confirm acceptance into the program, detail all aspects of the program and contain a copy of this Policy, the name and contact details for the account manager and the name and contact details for the account manager's supervisor.

## 8. What a Customer Can Expect

### 10.1. *Flexible Payment Options*

- 10.1.1. Customers will be informed about the range of options they have available to pay any amount outstanding on their accounts and /or for ongoing consumption.
- 10.1.2. The payment arrangement made with any customer will take into consideration the amount outstanding on the customer's account, the customer's capacity to pay and the customer's expected energy consumption over the next twelve (12) months.
- 10.1.3. In setting up the payment arrangement, discussions will be held with a customer regarding the circumstances surrounding entry into the Hardship Program, other financial commitments the customer has and any support the customer is entitled to under government-funded schemes, concessions and rebates.
- 10.1.4. When considering a customer's capacity to pay, the following factors will be reviewed:
- a. Any income the customer is receiving;
  - b. Any support the customer is receiving or is entitled to;
  - c. The customer's various personal, household and other expenses;
  - d. Any dependents that rely on the customer for income and/or other forms of support;
  - e. Any likely change to the customer's income and expenditure over the next twelve (12) months;
  - f. Other financial commitments the customer has; and
  - g. Any report from a financial counsellor or other authorised third party on the customer's capacity to pay.
- 10.1.5. To ensure an appropriate payment plan is calculated, we will determine the estimated usage and amount needed to clear arrears over an extended period.



- 10.1.6. The length of the payment plan will be dependent on the nature of the hardship, the level of debt and the customer's capacity to pay.
- 10.1.7. We will have regard to the customer's expected energy consumption over the following twelve (12) months when establishing payment arrangements.
- 10.1.8. The final payment plan negotiated with a customer will be set out in a schedule and confirmed over the phone, and emailed or mailed to the customer using. The letter will confirm the customer's current arrears, the date the first payment is due, a schedule of all payments including the dates that payments will be due, confirmation of the amounts of each payment, confirmation of the number of instalments under the arrangement and confirmation of the customer's right to cancel or amend the arrangement upon request.
- 10.1.9. The customer will have the option of requesting a hardship arrangement be reviewed at any time to either decrease or increase payments.
- 10.1.10. A customer's account manager will review the customer's account on a monthly basis under the Hardship Program. The Account Manager will contact the customer if an arrangement becomes unsuitable.
- 10.1.11. The Account Manager has a duty to ensure that he or she treats customers with respect and courtesy at all times.
- 10.1.12. A customer may contact an account manager's supervisor at any time if the customer is unhappy with the way the account manager is managing the account under the Hardship Program.

## *10.2. Government Rebates, Concessions and Grants*

- 10.2.1 A customer's account manager will work with existing advisors, including financial counsellors and solicitors, should any be involved.
- 10.2.2 With a customer's permission, the account manager will arrange and schedule group meetings or conference calls to bring all parties together to work on a plan to address energy account management.
- 10.2.3 If a customer joins the Hardship Program with no external advisors, a meeting will be arranged with a Financial Counsellor at no cost to the customer.
- 10.2.4 The Account Managers will be responsible for providing customers with information on any government rebate, concession or grant to which the customers may be entitled and will assist them with the application process.
- 10.2.5 Account managers will speak with customers about the eligibility criteria and seek information to assist in determining eligibility.

## 9. Leaving the Hardship Program

- 9.1 A customer may leave the Hardship Program at any time upon request, on successful completion of the program or removal from the program.
- 9.2 A customer is able to re-enter the program at any time provided he/she is eligible to do so.
- 9.3 Successful Completion
- Upon successful completion of the Hardship Program:
- a. A customer will be sent a letter confirming the status of the account and the completion of the program.
  - b. The customer's account will no longer be in the credit cycle or in hardship status, but it will be continually reviewed to ensure that ongoing payment arrangements are based on capacity to pay.
  - c. The customer's account will be credited with \$50 to acknowledge the completion and will return to the usual credit and collection cycles unless the customer wishes to re-enter the program.
- 9.4 Removal from the Hardship Program
- a. Whilst a customer is on the Hardship Program, he or she must abide by any payment plan in place unless an alternative arrangement is agreed between both parties.
  - b. The customer must also remain in contact and notify Arc Utilities Management Pty Ltd of any change in circumstances.
  - c. If the customer fails to keep an arrangement and/or respond to two phone calls and two letter or email requests for contact, the customer will be placed back into the normal collections cycle if he or she fails to meet two payment arrangements in a row or to contact Arc Utilities Management Pty Ltd within three (3) months without reasonable circumstances surrounding the failure.
  - d. If a customer is removed from the Hardship Program, he or she will be sent a letter setting out the reasons for the removal from the program and giving the customer the opportunity to make contact and negotiate a further payment arrangement.
  - e. If a customer is removed from the Hardship Program and wishes to re-enter, he or she will need to demonstrate a willingness to manage his or her account and provide reasons for the initial failure to meet payment

arrangements or maintain contact with Arc Utilities Management Pty Ltd.

## 10. Training

- 10.1 Arc Utilities Management Pty Ltd staff will receive training on this policy, issues relating to financial hardship, how to identify customers in potential hardship and how to communicate respectfully to ensure customers experiencing hardship are dealt with in an empathetic and non-judgmental manner.
- 10.2 Staff will also receive regular refresher training on identification and referral processes and protocols.
- 10.3 Staff will attend meetings and training provided by financial counsellors and community organisations to assist in understanding the issues that may be faced by customers.
- 10.4 A record of training will be kept for all staff in accordance with the Human Resources training procedures.

## 11. Complaints

- 11.1 Customers will be informed of their right to lodge a complaint at any time and about any aspect of Arc Utilities Management Pty Ltd's services. Once a customer lodges a complaint, they will be dealt with in accordance with the Policy Statement on Complaints Handling.
- 11.2 The customer is entitled to have his or her complaint internally escalated if he or she is not satisfied with the investigation or resolution of the complaint.
- 11.3 Customers who are not satisfied with Arc Utilities Management Pty Ltd's response or investigation into their complaints may contact the Energy Ombudsman in their state.

## Version Control

Version	Amendment	Author and date
Version 1	Initial draft	AW 22/05/2018

